

# City, county get update on local housing market

## Praxis report indicates prices out of range for many

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WINNEMUCCA — As the nation faces the largest foreclosure crisis in American history, Humboldt County residents face a different type of housing crunch: a lack of it.

According to a housing assessment contracted by the Humboldt Development Authority's Workforce Housing subcommittee, foreclosure rates in the community are low. But there is a shortage of affordable housing on both the rental and real estate markets.

Eric Novak, principal of the company contracted to perform the assessment, Praxis Consulting Group LLC, made a presentation at the joint Winnemucca City Council/Humboldt County Commission meeting on Sept. 15. He said the county has a, "very tight housing market, which is really in contrast to what happened in 2000 with the downturn."

He went on to explain that renters in Humboldt County are experiencing a lack of housing in all price ranges, long waiting lists for subsidized developments, ever-increasing rental costs and social effects such as overcrowding and long-term motel living.

That same report reflected that homeowners were coming up against comparable obstacles. The assessment found that although there is an adequate supply of single-family housing in the community, the new stock is priced out of reach for most residents. The report also asserted that Humboldt County's most significant need to facilitate homeownership is more entry-level housing between \$160,000 and \$175,000.

The Praxis report identified a need for housing suitable to median household incomes between \$38,000 and \$64,000. Novak also noted that a minimum income of \$64,695 is required to purchase a home in Humboldt County, while \$13.79 per hour is the minimum income needed to afford a two-bedroom rental at the fair market price of \$745.

The housing crunch in the area is compounded by the lack of new construction within that median range. Between 2000 and 2007, the report found only 195 units were added to the local housing stock (an increase of 3 percent) while the population

## Development Authority to meet today

Sun Staff Report

WINNEMUCCA — The Humboldt Development Authority will hold their regularly scheduled meeting today beginning at 3 p.m. at Winnemucca City Hall, 90 W. Fourth St.

The approval/amendment of the June 10, 2008, and Aug. 12, 2008, meeting minutes follows the call to order and Pledge of Allegiance. That will be followed by the selection of the HDA board vice-chairman and a staff report on activities.

Also scheduled is the review and possible approval of bills and invoices and a request for sponsorship of the Winnemucca Tools for Business Success Web site.

Economic Development Strategy Report updates follow. These include Airport Industrial Park, Enhance Attractions, Workforce Training and Development, Business Attraction/Retention, Affordable Housing, Value Added Projects, Sustainable Development and HDA Funding.

Public and personal communications and correspondence concludes the meeting.

grew by 702 households (or just over 12 percent in that same period).

"There is very, very little multi-family," Novak asserted. He said Winnemucca currently has 240 subsidized rentals in seven developments, all of which are full and have a waiting list.

Novak summarized the findings by saying, "the housing market is not working well in Humboldt County."

In addition, he pointed out the effect of the housing shortage on the area workforce. "Almost two-thirds of employers said they rank the need for affordable workforce housing among the highest priority for your community," he said.

Recommendations to the board included promoting infill development and higher density building, exploring the rehabilitation and revitalization of existing structures and attracting multi-family dwellings through incentive programs such as first-time homebuyer programs, federal assistance programs and use of land trusts.

Councilman Don Stoker showed hesitation to the recommendations, stating that especially in today's financial climate a local government's role in real estate development needs to be limited.

A discussion ensued over the general housing needs in the community and the increasing barriers facing first-time homebuyers that is creating a high demand for what was referred to as stepping stones to home ownership.

Catherine Cole-Ferandelli, the chair of the Workforce Housing subcommittee, along with Novak, made it clear that what was being proposed was not for the municipalities to act as developers but rather to promote sensible development. Ferandelli proposed that the city and county are forced to take a role in residential

development because, "quality housing is part of the infrastructure for a quality community."

Commissioner Tom Fransway described the lack of development as indicative to northern Nevada and rural areas in general, while councilman Rich Stone provided similar sentiments. "We don't have developers here, we have builders that can put five to 10 houses on the ground per year," Stone said.

Ferandelli asked the boards to make a decision on whether they wished the HDA to explore some of the recommendations and determine their feasibility for the community. "Without county/city support, it's a moot point," she said.

The council voted unanimously to approve a motion to accept the proposal and approved the committee to keep working on options for municipal involvement. The county simply provided a unanimous vote to accept the proposal by Praxis.

In interviews following the joint meeting, Fransway and Ferandelli both spoke of the viability of local governmental assistance in promoting a more stable residential market.

Fransway indicated that it is still unclear what action will be taken to encourage profitable residential development in the area and that any decision was pending further investigation by the HDA. "My whole thing is that whatever we do, it has to be an asset to this community," he said. "It has to be able to somehow bring in some revenue ... if we bring in people who don't contribute to the tax base then it costs us, it is a negative."

Although Fransway did indicate that the rental situation is the most urgent, he feels strides have been made with recent multi-family developments. As for any future building, "it's important that it be quality development,"

he said. "We don't want to blight our community."

"There's a place for local government to be involved in the local housing market and there's a place to avoid," Fransway said. "Personally I think that supplemental effort, specifically when it comes to a monetary effort to supplement a homeowner, I don't think that our county or our city has any business doing that."

"Working with the developer to provide certain things that would result in more housing at different levels of affordability, I think that that is our business to work with people like that and fill that void," he added.

Ferandelli described reaction to the joint meeting as, "extremely favorable," stating that the councilmembers and commissioners reacted, "favorably, positively and in a forward-thinking manner."

She stated that under their direction the first steps that will be taken will be to conduct a feasibility study designed to identify areas that are well suited for infill of small multi-family dwellings.

As far as whether or not there is more need in the community for multi-family rental developments or single-family units more suitable for ownership, she stated that, "I got the sense that they were prioritizing both."

Ferandelli feels one of the major hurdles in providing suitable housing in the community is, "a lot of people when they hear workforce they think welfare, they think 'not in my backyard,' and that is really not it," she said. "I would again remind the readers that the average median income of a teacher or a law enforcement official, a policeman starting out, is under \$40,000 annually, which would make current single-family housing not affordable. I think that's a good wake-up call to people."

Summarizing the efforts of the HDA Workforce Housing subcommittee, Ferandelli stated, "what we are trying to do is develop housing that gives the steps upward to home ownership. That is really what it is meant to be."